C1750-1
2/2/89

The Fifth Estate

RADIO TELEVISION CABLE SATELLITE

Broadcasting Feb 6

Night Court
Sold in 139 Markets For Fall '88.

Growing Pains
Sold in 142 Markets For Fall '89.

HEAD of the CLASS
Sold in 86 Markets For Fall '90.

ALF
Sold in 107 Markets For Fall '90.

PERFECT Strangers
Sold in 35 Markets For Fall '90-'91.

MAMA'S FAMILY
Airing on 185 stations.

It's a Living
Airing on 163 stations.

She's the Sheriff
Airing on 157 stations.

WB

WARNER BROS.
Domestic Television Distribution
A Warner Communications Company

58th Year 1989

Channels by chance?
FCC considers lottery
Whither syndex?

BETHESDA MD 20814
4520 EAST-WEST HWY
CONGRESSNL INFO SRV ** SAMPLE
SRI ACD
20814SRI ATBSD1 ZMZ
**********05-015II 20814

Broadcasting Feb 6

Vol. 116 No. 6

Moving toward TV-telco compromise...

Telephone industry and broadcast lobbyists take important step toward agreement that would trade guaranteed carriage for political support of telco ambitions in television business. **PAGE 27.**

License lottery...

FCC "tentatively" decides to use weighted lottery in place of comparative hearing process to award new broadcast licenses. **PAGE 27.**

Joined forces...

In this "At Large" interview, four co-producers in international marketplace discuss long-range impact of creating

new forms of global programing. Pictured above, clockwise: BROADCASTING editors Adam Glenn, Steve McClellan and Don West with Des Monaghan, Australian TV Network; David Plowright, Granada TV, and Don Taffner, D.L. Taffner. (Not shown, David Simon, Walt Disney Co.) **PAGE 34.**

29/***PRIME TIME NEWS***

CBS's *60 Minutes* correspondent Diane Sawyer moves to ABC, where she will co-anchor new "weekly news variety show" with Sam Donaldson. Meanwhile, NBC gives more details of its new eight-part summer series.

Sawyer

30/***SYNDEX DEALING***

Buena Vista TV's granting of syndicated exclusivity to its program package targeted for nonexclusivity illustrates issue's growing role in syndication deals.

44/***HE'S BAAAACK***

Norman Lear returns to TV programing business, forming joint venture with Columbia Pictures Television to produce shows for all media.

48/***RELIGION AND POLITICS***

National Religious Broadcasters, meeting in

CBN founder Pat Robertson

Washington, hear praise from Vice President Dan Quayle and news that NRB has severed ties with televangelist Jimmy Swaggart.

45/***MATTER OF OPINION***

According to some industry observers, stations' interest in editorializing is waning.

46/***STRENGTH IN NUMBERS***

Radio executives say greater cooperation within industry is important element in future growth of medium.

47/***BUSINESS BY SATELLITE***

Satellite business networks undergo what some see as beginning of shakeout as one radio service drops out of competition and two other primary contenders discuss merging.

50/***TV OUTLOOK***

Participants in seminar on TV's outlook for 1989 say that cable and syndication advertising growth are expected to be fastest growing segments in industry.

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House Telecommunications Subcommittee receives reports offering ways government could aid high-definition television and electronics industries.

58/***SHADOW OVER FMX***

MIT report casts doubts on effectiveness of FMX stereo receivers. FMX inventors say study procedures are flawed.

60/***BUYOUT DEAL***

Houston Industries agrees to buy four California cities' rights to take over local Rogers Communications cable systems.

79/***FOR LAUGHS***

Former stand-up comic Jay Tarses now gets to sit down while delivering his brand of comedy via television vehicles such as *Molly Dodd*.

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6

tions early this year.

"True" high-power Ku-band DBS delivery of TV programing directly to homes will become reality in U.S. in "1992 time frame," says Hughes, whose proposed 200 watt birds—10 times higher than current fixed satellite service birds—will enable reception of video programing by affordable one-foot downlinks, says Hughes, thereby expanding consumer home satellite market well beyond current two million.

Hughes and GE agree on need to bring together "business system," including programers and cable operators, latter as likely retailers to home market.

FCC extension granted late last year gave Dominion Video Satellite and Hubbard Broadcasting's United States Satellite Broadcasting—among those granted permits with six-year expirations in December 1982—four more years—until Dec. 4, 1992.

High-Definition TV

■ "Action memos" to Telecommunications Subcommittee requested by chairman Ed Markey (D-Mass.) on what policy decisions Congress should make to aid American interests were received last Wednesday (Feb. 1) from several broadcasting and high technology organizations. Major difference of opinion exists between Electronic Industries Association, which emphasized reduction of federal deficit to increase U.S. competitiveness in electronics, and American Electronics Association, which called for federal funding of U.S. electronics industry to develop American HDTV manufacturing. Association of Maximum Service Telecasters called for allocation of funds to establish advanced TV task force within FCC to facilitate adoption and implementation of new HDTV transmission standard.

Defense Department will provide up to $30 million in funding to private organizations researching and developing new, low-cost methods of displaying and processing HDTV pictures. Pentagon hopes program will lead to mass production of low-cost, high-resolution screens for consumer and defense applications. Requests to fund projects should be submitted by Feb. 13.

National Telecommunications and Information Administration has asked for comments on whether U.S. government should continue to support worldwide adoption of 1,125 line/60 hz HDTV production standard. Inquiry asks whether any production format should be supported and, if so, what criteria should be used to decide which is superior. Comments are due March 1, 1989.

Analysis subgroup of ATS committee's systems subcommittee has received submissions for 15 proposed HDTV or EDTV transmission systems. Thirteen of 15 systems were studied in-depth by analysis group during meeting held Nov. 14-18, 1988, in Washington. Report, based on finding of week-long meeting, will be submitted to systems subcommittee in February.

On Sept. 1, 1988, FCC tentatively decided to eliminate from standardization consideration transmission systems with continuous 9 mhz channel, incompatible with NTSC sets. Move eliminates possibility of terrestrial standardization of NHK's MUSE-E system. Commission also decided to restrict any possible additional spectrum for advanced television broadcasting to currently allotted VHF and UHF television spectrum. Use of band above 1 ghz for augmentation channels was ruled out.

Land Mobile

Last fall, FCC delayed decision on petition to reallocate UHF channels in eight markets to land mobile radio until completion of report on whether UHF channels in question will be needed for broadcasting high-definition systems. But report released in June 1988 by FCC's advisory committee on advanced TV service advised FCC not to act because it is too early to know how much spectrum broadcasters will need. During special meeting on HDTV issues, FCC decided to follow report's advice (BROADCASTING, Sept. 5, 1988).

Mergers and Acquisitions

■ Warner Communications closed its acquisition of Lorimar Telepictures Jan. 11. Under terms of tax-free stock swap approved by Lorimar shareholders Dec. 8, 1988, Lorimar shareholders exchanged roughly 2.7 shares for each common share of Warner. Original definitive agreement for merger had set ratio of about 2.4 Lorimar shares per Warner share, but was revised Oct. 21, 1988. Transaction is valued at more than $1.2 billion, with Warner assuming more than $600 million in Lorimar's debt and Lorimar shareholders receiving Warner stock with a market value of about $625 million. Transaction had been delayed by Sept. 27, 1988, New York state court ruling, upheld by appeals court Dec. 8, 1988. Court ruled that Warner's acquisition of Lorimar's TV stations, along with rest of company, would violate 1984 shareholder agreement by which Chris-Craft, group owner, became Warner's largest shareholder. On Dec. 29, 1988, Lorimar announced closing of sale of two of three stations it still held: company sold beneficial interest in trust holding two Puerto Rican stations to Orlando broadcaster Timothy Brumlik, for price between $20 and $30 million. Day before merger closed, Lorimar completed sale of last station in its possession, WPGH-TV Pittsburgh.

□ Malrite Communications Group announced Oct. 24, 1988, that it had signed merger agreement with MCG Merger Co. senior management buyout group led by Chairman and CEO Milton Maltz. Price for company's 4.5 million class A and common shares not held by Maltz is stockholders' choice of either $11.125 cash or $9 cash plus debt securities with an expected value of $2.50. Management group will also assume more

BY THE NUMBERS

Summary of broadcasting and cable

BROADCASTING

SERVICE	ON AIR	CP's ‡	TOTAL *
Commercial AM	4,929	288	5,197
Commercial FM	4,141	639	4,780
Educational FM	1,369	260	1,629
■ Total Radio	10,439	1,187	11,626
FM translators	1,650	428	2,078
Commercial VHF TV	545	21	566
Commercial UHF TV	508	228	736
Educational VHF TV	119	7	126
Educational UHF TV	216	31	247
■ Total TV	1,388	287	1,675
VHF LPTV	126	163	289
UHF LPTV	329	1,196	1,525
■ Total LPTV	455	1,359	1,814
VHF translators	2,722	102	2,829
UHF translators	2,110	356	2,456

CABLE†

Total subscribers	48,637,000
Homes passed	73,900,000
Total systems	8,000
Household penetration†	53.8%
Pay cable penetration	32%

* Includes off-air licenses. † Penetration percentages are of TV household universe of 90.4 million. ‡ Construction permit.

The Fifth Estate
Broadcasting
incorporating
TELEVISION

Founder and Editor
Sol Taishoff (1904-1982)

1705 DeSales Street, N.W., Washington, D.C. 20036
Phone 202-659-2340
Editorial department fax 202-429-0651
Administrative department fax 202-331-1732

Lawrence B. Taishoff, *publisher*

Editorial
Donald V. West, *managing editor*
Mark K. Miller, Harry Jessell, *assistant managing editors*
Leonard Zeidenberg, *chief correspondent*
Kira Greene, *senior news editor*
Matt Stump, Kim McAvoy, John S. Eggerton, *associate editors*
Susan Dillon, Adam Glenn *(international), assistant editors*
Randall M. Sukow *(technology),* **Peter D. Lambert, Lucia Cobo, Joe Flint,** *staff writers*
Kristina I. Hoyt, *editorial assistant*
Anthony T. Sanders, *systems manager*
Todd F. Bowie, Ed Kaitz, *production*

Broadcasting □ Cablecasting Yearbook
David Seyler, *manager*
Joseph A. Esser, *associate editor*
Deborah Segal, Tracy Gilliam-Turner, Paul Muller, Francesca Tedesco, *editorial assistants*

Book Division
David Dietz, *manager*

Advertising
Washington
Kenneth W. Taishoff *vice president, sales and marketing*
Robert (Skip) Tash, *Southern sales manager*
Doris Kelly, *sales service manager*
Debra DeZarn, *classified advertising manager*
New York
David Berlyn, *senior sales manager*
Charles Mohr, Stacey Kibel, *sales managers*
Hollywood
Tim Thometz, *sales manager*
Schiff & Associates *(Western equipment and engineering) 213-393-9265*

Circulation
Kwentin K. Keenan, *circulation manager*
Patricia Waldron, *data entry manager*
Keith Brody, *subscription service manager*
Joseph Kolthoff, Vardell McPhatter

Production
Harry Stevens, *production manager*
Rick Higgs, *production assistant*

Administration
David N. Whitcombe, *vice president operations*
Philippe E. Boucher, *controller*
Tracy Henry, *assistant controller*
Albert Anderson, *office manager*
Nancy Miller, *personnel administrator*
Shaun Gehan
Sheilene Scott, *receptionist*

Corporate Relations
Patricia A. Vance, *director*

Bureaus
New York: 630 Third Avenue, 10017
Phone: 212-599-2830
Fax: 212-599-2837
Geoff Foisie, *chief correspondent*
Rich Brown, George Mannes, *staff writers*
June Butler, *advertising assistant*
Hollywood: 1680 North Vine Street, 90028
Phone: 213-463-3148
Fax: 213-463-3159
Tim Thometz, *Western sales manager*
Sandra Klausner, *editorial-advertising assistant*
Stephen McClellan, *chief correspondent*
Steve Coe, *staff writer*

International Advertising Representatives
Europe and United Kingdom: Lucassen International, John J. Lucassen, Kamerlingh Onneslaan 67, 1171 AC Badhoevedorp, Amsterdam, Netherlands. Phone 31(2968)9 6226. Telefax 31 (2968)9 3617. ■ *Japan:* Masayuki Hanhara, Yukan Media Inc., 9-4-302, Miyakojimakitadori, 2 chome, Miyakojima, Osaka, 534 Japan. Phone (06) 925-4452. Telex 02423928

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Donald V. West, *vice president*
David N. Whitcombe, *vice president*

Founded 1931. *Broadcasting-Telecasting** introduced in 1946. *Television** acquired in 1961. *Cablecasting** introduced in 1972. □ * Reg. U.S. Patent Office. □
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Open Mike

Sin of omission

EDITOR: We're puzzled by the omission of public television in BROADCASTING's Jan. 16 account of inaugural news preparations.

Not only did PBS offer live coverage of the inauguration, anchored by Paul Duke and produced by WETA-TV, but also: a half-hour highlights program that evening; a week of debates on on the *MacNeil/Lehrer NewsHour*, culminating in a major segment called "Bush's America"; a 90-minute *Frontline* special about Ronald Reagan, and a historical look at inaugurations hosted by Walter Cronkite. On Jan. 29, PBS presented a special hour-long program on the 10 weeks of the Bush transition: "Preparing for Power," reported by Hedrick Smith.

BROADCASTING's oversight is ironic at a time when PBS is being widely praised for a "virtual explosion" of news and public affairs projects, as reporters who attended this month's PBS press tour in Los Angeles have noted. In an era of tabloid television, PBS's in-depth broadcast journalism stands in higher relief than ever, as this season will demonstrate with series like *The Power Game, War and Peace in the Nuclear Age, Secret Intelligence* and *Learning in America.*—*Barry O. Chase, Vice President, News and Public Affairs Programing, Public Broadcasting Service, Washington.*

Radio lives

EDITOR: Congratulations on your Jan. 9 article, "Harnessing Radio's Strengths for Television."

Many thought us crazy to stay in radio, especially after it was declared officially dead in the 1950's by more than one renowned broadcaster. We in radio hacked, clawed, fought and thought for survival and growth against almost overwhelming disinterest. Television, on the other hand, became a high margin industry where management talent was directed mostly at hanging on to the ascending rocket.

Your article is correct. Radio demanded superior management talent in all the areas you define, and, as a result, radio today is selling megatons of goods and services. Elton Rule made the sagacious observation about 20 years ago that there are few secrets between radio and television. How true.—*Robert R. Pauley, former president, ABC Radio, Landrum, S.C.*

Legacy invests in the future.

Legacy Broadcasting, Inc. has acquired an equity position in and now operates Metropolitan Broadcasting Corporation.

Metropolitan Broadcasting Corporation

WNEW (AM/FM)	KTWV (FM)	WMMR (FM)
New York	Los Angeles	Philadelphia

Legacy Broadcasting, Inc.

WLLZ (FM)	WCXR (FM)/WCPT (AM)	KILT (AM/FM)	KDWB (AM/FM)
Detroit	Washington, D.C. (Woodbridge/Alexandria)	Houston	Minneapolis (St. Paul/Richfield)

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CBS takes second place in prime-time race

Week 19 (ended Jan. 29) went to NBC, when that network registered a 17.1 rating and a 27.4 share. CBS took second place, with a 13.1 rating and a 21.1 share. ABC closed up the ranks with a 12.0 rating and a 19.4 share.

In the evening news race, the *CBS Evening News* won the week with an 11.7/20, followed by the *NBC Nightly News* with an 11.6/20 and ABC's *World News Tonight*, which scored an 11.5/20.

In the Arbitron metered markets, NBC's *Cosby Show* took first place in 10 of the 14 markets. ABC's *Roseanne* took the top spot in Chicago (30.9/46), Philadelphia (32.6/44) and Cleveland (35.0/48). In Miami, NBC's *Golden Girls* pulled in a 19.7/32 to edge out *Cosby*'s 19.6/31.

Nielsen	□	Net	□	Show
1	27.0/42	N		Cosby Show
2	24.8/37	A		Roseanne
3	23.5/36	N		Different World
4	23.4/38	C		60 Minutes
5	22.9/35	A		Who's the Boss?
6	22.1/34	N		Cheers
7	21.8/32	C		Murder, She Wrote
8	21.7/37	N		Golden Girls
9	20.4/30	N		ALF
10	19.8/31	N		Unsolved Mysteries
11	19.6/30	N		Night Court
12	19.2/30	N		NBC Monday Movie
13	18.9/32	N		Empty Nest
14	18.7/29	N		Dear John
15	18.6/29	A		Growing Pains
16	18.6/29	C		CBS Sunday Movie
17	18.0/27	A		Head of the Class
18	17.9/26	N		Hogan Family
19	17.8/27	N		Matlock
20	17.4/27	N		NBC Sunday Movie
21	17.3/32	N		Hunter
22	16.5/28	C		Knots Landing
23	16.4/27	C		Dallas
24	16.4/24	C		Designing Women
25	16.2/24	C		Murphy Brown
26	16.1/28	N		Amen
27	15.4/23	N		Family Ties
28	15.4/27	N		In the Heat of the Night
29	15.3/26	N		L.A. Law
30	15.1/26	N		Nightingales
31	15.0/26	A		20/20
32	14.7/23	A		ABC Sunday Movie
33	14.6/22	A		MacGyver
34	14.3/25	C		Candid Camera
35	14.3/24	N		Father Dowling Mysteries
36	14.0/24	A		Full House
37	14.0/25	N		227
38	13.6/21	A		Wonder Years
39	13.3/22	A		Mr. Belvedere
40	13.3/20	A		Studio 5B Special
41	13.2/23	A		Perfect Strangers
42	13.1/19	N		Day By Day
43	13.0/19	C		Kate and Allie
44	12.8/20	A		ABC Monday Movie
45	12.6/19	C		Newhart
46	12.6/21	N		NBC Friday Movie
47	12.2/20	A		Just the Ten of Us
48	12.0/21	C		Wiseguy
49	11.9/19	C		CBS Tuesday Movie
50	11.4/18	C		48 Hours
51	11.3/19	A		thirtysomething
52	11.0/19	A		Man Called Hawk
53	11.0/17	C		Equalizer
54	10.7/17	N		Magical World of Disney
55	10.6/16	C		Paradise
56	10.5/18	A		China Beach
57	10.4/16	A		Dynasty
58	10.4/15	F		Married...With Children
59	10.2/16	A		Hooperman
60	10.2/17	C		People Magazine on TV
61	10.2/15	C		Tour of Duty
62	10.1/15	F		America's Most Wanted
63	9.7/16	C		Almost Grown
64	9.2/16	A		Mission: Impossible
65	8.7/16	C		West 57th
66	8.6/15	C		Dolphin Cove
67	7.3/12	C		Smothers Brothers Variety
68	7.2/12	A		Heartbeat
69	7.2/12	A		Incredible Sunday
70	6.7/13	A		Murphy's Law
71	6.6/10	A		Fine Romance
72	6.6/11	F		21 Jump Street
73	6.5/10	C		TV 101
74	5.8/9	A		Studio 5B
75	5.0/7	F		Garry Shandling's Show
76	4.4/6	F		Television Hall of Fame
77	4.0/7	F		Reporters
78	4.0/6	F		Tracey Ullman Show
79	3.2/5	F		Duet
80	2.7/5	F		Beyond Tomorrow

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Journalism

Editorializing falling out of favor?

That's the opinion of some who feel TV stations are putting less emphasis on opinion

The current attempt to reintroduce the fairness doctrine—a stepchild of the FCC's decision to permit stations to editorialize—comes at a time when most observers claim stations' interest in editorializing is weak. Numerous editorial directors have been fired over the past few years, and the frequency of editorials at some stations has been cut. Whether more stations intend to eliminate the time and money for expressing a viewpoint is hard to determine, according to those who follow the situation.

Among recent stations that have reportedly dropped their editorial directors are WFSB(TV) Hartford, Conn., and WINS(AM) New York. Steve Smith, editorial director of KNX(AM) Los Angeles, said that in that market "there were 13 people doing editorials on a regular basis in 1984. There are now about four or five and not all of those are editorial directors...some are being pulled out of the newsroom or elsewhere. I think the quality of editorials has suffered."

Other than anecdotal and marketplace information, there is no recent survey of station editorial practices. The last comprehensive survey by the National Broadcast Editorial Association (NBEA) was more than five years ago. It showed that of roughly 1,400 stations airing editorials, 418 stations produced them once a week, while 244 produced them daily.

Don Johnson, editorial director of WBBM-TV Chicago, defended cutting back the frequency of editorials: "We prefer to do them sparingly, maybe one a month, so [we don't seem] to be experts on everything. They are becoming more and more infrequent as things become more and more complicated and it takes more time to research stuff." Johnson also questioned how interested audiences were in hearing station editorials every day: "There were people who stopped listening...some of them have become frankly quite boring."

The decreasing ranks of editorial directors are reflected in their shrinking professional organization. The NBEA, founded 15 years ago, had roughly 110 full-paid members in 1986; just over 85 in 1987, and currently has 74. Said the organization's president, Charles Thompson, editorial director of KYW-TV-AM Philadelphia: "Membership in our organization represents the big markets and larger companies, where the cuts have been more extreme. We were hit pretty hard by cuts just after the acquisitions of the networks."

Station editorials have also seen changes in format. While they generally feature someone reading a statement on an issue, they are now more likely to be shot on location, rather than behind a desk in a studio. Said Thompson: "We have followed the same changes as news itself, more visual and more dramatic when possible. The talking head remains but is much less prevalent than it was five years before."

Another change in station editorials, say editorial directors, is that they have become shorter. In a typical week Rich Adams, editorial director of WUSA-TV Washington, is on the air with 12 different editorials, some of which are over a minute, others which are 30 seconds. In the latter, Adams said, "We just do a voice-over to the best visuals while a trailer runs on the screen saying this is an editorial. Sometimes our longer pieces will have tapes or sound bites."

While editorializing faces uncertain industry support, commentaries that express views of the commentator rather than of station management may be increasing. NBEA is trying to attract commentators to the association. Thompson suggested: "I would say generally editorials are more extensively researched and more carefully chosen, but sometimes it is hard to tell the difference." Said KNX(AM)'s Smith: "I think a lot of stations have made that tradeoff. Rather than make an investment in an editorial director who may be an officer of the company and who comes with a budget, why not use an outsider or reporter? They are cheaper and the stations also don't take as much heat. I think it is a cop-out." □

Cable, syndication advertising expected to be fastest growing segments of TV industry in '89

Participants in New York seminar also predict network television growth to range from zero to 2%

There was little disagreement among panelists last week at a seminar on the outlook on television for 1989. Cable and syndication advertising growth were expected to be the fastest growing segments in the industry. Lagging behind an expected inflation rate of 4.5%-5.5%, network TV growth was predicted to range from zero to 2%, according to participants. Also at the conference, sponsored by Sillerman-Magee Communications Management Corp., unwired networks were referred to as a "disease," and panelists disagreed over the impact of leveraged buyouts among advertisers. (See also related radio story, page 46.)

Predicting about a 4% growth in the spot television market, Peter Goulazian, president of the Katz Television Group of Katz Communications, listed 10 reasons why 1989 would not be a good year for spot television. Any list of reasons to be more optimistic would be very short, he said. Judging from the corporations that Katz has polled in its attempt to forecast the 1989 economy, Goulazian said that cash flows would increase no more than 4%, with net operating profits for several companies flat or down.

Goulazian also questioned whether automobile advertising, by industry group the biggest spot advertiser, could continue to grow at the high rate it has in the past. He also said he saw no reason why the broadcast networks would not expand their commercial inventories, at the expense of local availabilities, in their quest for more revenue.

In predictions for other segments of the television market, Goulazian said Katz saw an 8% increase in local advertising, 15%-20% growth in cable and syndication advertising, and growth of the three networks ranging from zero to 2%. In sum, he said he saw spot television retaining its 28% share of television dollars, with the complete television pie growing 5.1%.

Agreeing that syndication advertising would grow about 15%-20%, Rick Pack, president of Action Media Group, made a more specific prediction of 16% growth when pressed by moderator Robert F.X. Sillerman. Pack reminded his audience that the syndication advertising market has grown from about a $500,000 business 10 years ago to a $900 million business in 1988. Although syndication ratings were down in the fourth quarter of 1988, they seem to be rebounding in the first quarter of 1989, he said.

Calling syndicated advertising an alternative and supplement to network advertising, Pack said that syndication would continue its growth, with syndicators improving the quality of their shows to be on par with those produced for the networks. He said he saw more growth this year in cash-barter syndication, rather than barter, using as an example a New York City station that would prefer paying money up front for a made-for-TV movie than giving up $130,000 worth of prime time advertising availabilities.

Jim Murtagh, senior vice president and director of marketing for Seltel, posed the question of why advertising on independent stations had increased 8% from 1987 to 1988, while total television advertising had increased only 6.7%. Part of the reason, Murtagh said, was the appeal of local programing. Forty independents in the top 90 markets have daily newscasts, he said. And according to one survey, the typical 10 p.m. independent newscast attracts a more upscale audience than the typical affiliate's early news show.

This year, he said, he expected independent revenue to grow about 6%. Children's programing, one of the domains of independent stations and probably their softest area last year, would continue to be a problem area, he said. Calling unwired networks a "disease," Murtagh said that although they are designed to compete for network dollars, they are cutting into spot money. Agreeing with Goulazian's assertion regarding leveraged buyouts and corporate debt in the packaged goods industry, Murtagh said that companies involved with mergers were cutting down on advertising because of mergers with previous competitors, and preoccupation with debt service.

Total television ad spending will be up 5% in 1989—behind 6% growth for all advertising—according to James Joyella, senior vice president, national sales for the Television Bureau of Advertising. Network advertising—with 36% of the $27 billion television pie—will be up 1%-2%; spot, 3%-5%; local TV, 5%-6%; syndication, 15%-16%, and cable advertising, 16%-18%.

Contrary to the negative effect on ad spending that two preceding panelists had ascribed to LBO's, Joyella said that following the recent buyout wave, major advertisers are "poised" to return to the days of advertising spending growth of the early 1980's. In looking for advertising growth, Joyella said the industry should look outside media budgets at promotion dollars, which over the past 10 years have taken an increasing share of marketing expenditures. He estimated that $45 billion to $65 billion was spent in 1987 on consumer promotion. □

Fourth quarter viewing patterns

The Cabletelevision Advertising Bureau said average weekly viewing to basic cable networks rose 17% in the fourth quarter of 1988 over the previous year, jumping from 12 hours and four minutes to 14 hours and nine minutes, for a total share of 26. Network affiliates led with a 52 share, although viewing dropped 4%. CAB said independents had a 16 share, pay services had a 10 share and noncommercial stations had a 3 share of average weekly viewing.

Category	4th quarter '88 Hrs:Min	4th quarter '88 Share	4th quarter '87 Hrs:Min	4th quarter '87 Share	% change
Basic services	14:09	26	12:04	22	+17%
Pay services	5:36	10	5:41	11	-1%
Network affiliates	28:28	52	29:30	55	-4%
Independents	8:40	16	8:53	16	-1%
Public TV	1:29	3	1:30	3	-1%

TIO collection re-stored. The Museum of Broadcasting has agreed to house the book and printed material library of the Television Information Office, which is being closed. The announcement was made by Lynne Grasz, TIO's executive director (l), and Robert Batscha, president of the Museum of Broadcasting.